



General Assembly

February Session, 2008

Raised Bill No. 5574

LCO No. 1923

* HB05574AGEPD_030408 *

Referred to Committee on Select Committee on Aging

Introduced by:
(AGE)

***AN ACT CONCERNING THE INCOME LIMITS AND STATE
REIMBURSEMENT FOR THE ELDERLY PROPERTY TAX FREEZE
PROGRAM.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-170v of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2008, and*
3 *applicable to assessment years commencing on or after October 1, 2008*):

4 (a) (1) Any municipality, upon approval of its legislative body may
5 provide that an owner of real property or any tenant for life or for a
6 term of years liable for property taxes under section 12-48 who meets
7 the qualifications stated in this subsection shall be entitled to pay the
8 tax levied on such property, calculated in accordance with the
9 provisions of subsection (b) of this section for the first year the claim
10 for such tax relief is filed and approved in accordance with the
11 provisions of section 12-170w, as amended by this act, and such person
12 shall be entitled to continue to pay the amount of such tax or such
13 lesser amount as may be levied in any year, during each subsequent
14 year that such person meets such qualifications, and the surviving
15 spouse of such owner or tenant, qualified in accordance with the

16 requirements pertaining to a surviving spouse in this subsection, or
 17 any owner or tenant possessing a joint interest in such property with
 18 such owner at the time of such owner's death and qualified at such
 19 time in accordance with the requirements in this subsection, shall be
 20 entitled to continue to pay the amount of such tax or such lesser
 21 amount as may be levied in any year, as it becomes due each year
 22 following the death of such owner for as long as such surviving spouse
 23 or joint owner or joint tenant is qualified in accordance with the
 24 requirements in this subsection. After the first year a claim for such tax
 25 relief is filed and approved, application for such tax relief shall be filed
 26 biennially on a form prepared for such purpose by [the assessor of
 27 such municipality] the Secretary of the Office of Policy and
 28 Management. Any such owner or tenant who is qualified in
 29 accordance with this section and any such surviving spouse or joint
 30 owner or joint tenant surviving upon the death of such owner or
 31 tenant, shall be entitled to pay such tax in the amount as provided in
 32 this section for so long as such owner or tenant or such surviving
 33 spouse or joint owner or joint tenant continues to be so qualified. To
 34 qualify for the tax relief provided in this section a taxpayer shall meet
 35 all the following requirements: [(1)] (A) On December thirty-first of the
 36 calendar year preceding the year in which a claim is filed, be [(A)] (i)
 37 seventy years of age or over, [(B)] (ii) the spouse of a person, seventy
 38 years of age or over, provided such spouse is domiciled with such
 39 person, or [(C)] (iii) sixty-two years of age or over and the surviving
 40 spouse of a taxpayer who at the time of such taxpayer's death had
 41 qualified and was entitled to tax relief under this section, provided
 42 such surviving spouse was domiciled with such taxpayer at the time of
 43 the taxpayer's death, [(2)] (B) occupy such real property as his or her
 44 home, [(3)] (C) either spouse shall have resided within this state for at
 45 least one year before filing the claim under this section and section 12-
 46 170w, [(4)] as amended by this act, and (D) the taxable and nontaxable
 47 income of such taxpayer, the total of which shall hereinafter be called
 48 "qualifying income", in the tax year of such homeowner ending
 49 immediately preceding the date of application for benefits under the
 50 program in this section, was not in excess of [limits set forth in section

51 12-170aa,] thirty-three thousand eight hundred dollars, if unmarried,
 52 and forty thousand three hundred dollars, jointly with spouse, if
 53 married, as adjusted, annually, in accordance with subdivision (2) of
 54 this subsection, evidence of which income shall be submitted to the
 55 assessor in the municipality in which application for benefits under
 56 this section is filed in such form and manner as the assessor may
 57 prescribe.

58 (2) The amounts of qualifying income as provided in this section
 59 shall be adjusted annually in a uniform manner to reflect the annual
 60 inflation adjustment in Social Security income, with each such
 61 adjustment of qualifying income determined to the nearest one
 62 hundred dollars. Each such adjustment of qualifying income shall be
 63 prepared by the Secretary of the Office of Policy and Management in
 64 relation to the annual inflation adjustment in Social Security, if any,
 65 becoming effective at any time during the twelve-month period
 66 immediately preceding October first each year. The secretary shall
 67 notify the assessors in each municipality of the amount of such
 68 adjustment not later than the thirty-first day of December next
 69 following.

70 (3) The amount of any Medicaid payments made on behalf of such
 71 homeowner or the spouse of such homeowner shall not constitute
 72 income. The income of the spouse of such homeowner shall not be
 73 included in the qualifying income of such homeowner for purposes of
 74 determining eligibility for tax relief under this section, if such spouse is
 75 a resident of a health care or nursing home facility in this state, and
 76 such facility receives payment related to such spouse under the Title
 77 XIX Medicaid program. [In addition to the eligibility requirements
 78 prescribed in this subsection, any municipality that provides tax relief
 79 in accordance with the provisions of this section may impose asset
 80 limits as a condition of eligibility for such tax relief.]

81 (b) The tax on the real property for which the benefits under this
 82 section are claimed shall be the lower of: The tax due with respect to
 83 the homeowner's residence for the assessment year commencing

84 October first of the year immediately preceding the year in which the
85 initial claim for tax relief is made, or the tax due for any subsequent
86 assessment year. If title to real property is recorded in the name of the
87 person or the spouse making a claim and qualifying under this section
88 and any other person or persons, the claimant hereunder shall be
89 entitled to pay the claimant's fractional share of the tax on such
90 property calculated in accordance with the provisions of this section,
91 and such other person or persons shall pay the person's or persons'
92 fractional share of the tax without regard for the provisions of this
93 section. For the purposes of this section, a "mobile manufactured
94 home", as defined in section 12-63a, shall be deemed to be real
95 property.

96 (c) If any person with respect to whom a claim for tax relief in
97 accordance with this section and section 12-170w, as amended by this
98 act, has been approved for any assessment year transfers, assigns,
99 grants or otherwise conveys subsequent to the first day of October, but
100 prior to the first day of August in such assessment year the interest in
101 real property to which such claim for tax relief is related, regardless of
102 whether such transfer, assignment, grant or conveyance is voluntary or
103 involuntary, the amount of such tax relief benefit, determined as the
104 amount by which the tax payable without benefit of this section
105 exceeds the tax payable under the provisions of this section, shall be a
106 pro rata portion of the amount otherwise applicable in such
107 assessment year to be determined by a fraction the numerator of which
108 shall be the number of full months from the first day of October in
109 such assessment year to the date of such conveyance and the
110 denominator of which shall be twelve. If such conveyance occurs in the
111 month of October the grantor shall be disqualified for such tax relief in
112 such assessment year. The grantee shall be required within a period
113 not exceeding ten days immediately following the date of such
114 conveyance to notify the assessor thereof, or in the absence of such
115 notice, upon determination by the assessor that such transfer,
116 assignment, grant or conveyance has occurred, the assessor shall
117 determine the amount of tax relief benefit to which the grantor is

118 entitled for such assessment year with respect to the interest in real
 119 property conveyed and notify the tax collector of the reduced amount
 120 of such benefit. Upon receipt of such notice from the assessor, the tax
 121 collector shall, if such notice is received after the tax due date in the
 122 municipality, no later than ten days thereafter mail or hand a bill to the
 123 grantee stating the additional amount of tax due as determined by the
 124 assessor. Such tax shall be due and payable and collectible as other
 125 property taxes and subject to the same liens and processes of
 126 collection, provided such tax shall be due and payable in an initial or
 127 single installment not sooner than thirty days after the date such bill is
 128 mailed or handed to the grantee and in equal amounts in any
 129 remaining, regular installments as the same are due and payable. The
 130 assessor shall notify the Secretary of the Office of Policy and
 131 Management, on or before the October first immediately following the
 132 end of the assessment year in which such conveyance occurs, of the
 133 reduction in such tax relief benefit for purposes of a corresponding
 134 adjustment in the amount of state payment to the municipality next
 135 following as reimbursement for the revenue loss related to such tax
 136 relief. Any municipality which neglects to notify the Secretary of the
 137 Office of Policy and Management of the reduction, as required by this
 138 subsection, shall forfeit two hundred fifty dollars to the state unless
 139 such forfeiture qualifies for a waiver pursuant to subsection (d) of this
 140 section.

141 (d) The Secretary of the Office of Policy and Management may
 142 adopt regulations, in accordance with chapter 54, to establish
 143 standards and procedures for waivers under subsection (c) of this
 144 section and subsection (c) of section 12-170w, as amended by this act.

145 Sec. 2. Section 12-170w of the general statutes is repealed and the
 146 following is substituted in lieu thereof (*Effective October 1, 2008, and*
 147 *applicable to assessment years commencing on or after October 1, 2008*):

148 (a) No claim shall be accepted under section 12-170v, as amended by
 149 this act, unless the taxpayer or authorized agent of such taxpayer files
 150 an application with the assessor of the municipality in which the

151 property is located, [in such form and manner as the assessor may
 152 prescribe] on a form prescribed by the Secretary of the Office of Policy
 153 and Management, during the period from February first to and
 154 including May fifteenth of any year in which benefits are first claimed,
 155 including such information as is necessary to substantiate such claim
 156 in accordance with requirements in such application. A taxpayer may
 157 make application to the assessor prior to August fifteenth of the claim
 158 year for an extension of the application period. The assessor may grant
 159 such extension in the case of extenuating circumstance due to illness or
 160 incapacitation as evidenced by a physician's certificate to that extent,
 161 or if the assessor determines there is good cause for doing so. The
 162 taxpayer shall present to the assessor a copy of such taxpayer's federal
 163 income tax return and the federal income tax return of such taxpayer's
 164 spouse, if filed separately, for such taxpayer's taxable year ending
 165 immediately prior to the submission of the taxpayer's application, or if
 166 not required to file a federal income tax return, such other evidence of
 167 qualifying income in respect to such taxable year as the assessor may
 168 require. Each such application, together with the federal income tax
 169 return and any other information submitted in relation thereto, shall be
 170 examined by the assessor and a determination shall be made as to
 171 whether the application is approved. Upon determination by the
 172 assessor that the applying homeowner is entitled to tax relief in
 173 accordance with the provisions of section 12-170v, as amended by this
 174 act, and this section, the assessor shall notify the homeowner and the
 175 municipal tax collector of the approval of such application, and shall
 176 forward such application to the Secretary of the Office of Policy and
 177 Management. The municipal tax collector shall determine the
 178 maximum amount of the tax due with respect to such homeowner's
 179 residence and thereafter the property tax with respect to such
 180 homeowner's residence shall not exceed such amount. The amount of
 181 tax relief approved shall be applied to the real property tax payable by
 182 the taxpayer for the assessment year in which such application is
 183 submitted and approved. If any such taxpayer has qualified for tax
 184 relief under section 12-170v, as amended by this act, and this section,
 185 the tax relief benefit determined shall, when possible, be applied and

186 prorated uniformly over the number of installments in which the real
 187 property tax is due and payable to the municipality in which the
 188 taxpayer resides. In the event that a taxpayer has paid in full the
 189 amount of property tax applicable to such homeowner's residence,
 190 regardless of whether the municipality requires the payment of
 191 property taxes in one or more installments, such municipality shall
 192 make payment to such taxpayer in the amount of the tax relief benefit
 193 allowed. The municipality shall be reimbursed for the amount of such
 194 payment in accordance with subsection (c) of this section.

195 **(b)** After a taxpayer's claim for the first year has been filed and
 196 approved such taxpayer shall file such an application biennially. In
 197 respect to such application required after the filing and approval for
 198 the first year the assessor in each municipality shall notify each such
 199 taxpayer concerning application requirements by regular mail not later
 200 than February first of the assessment year in which such taxpayer is
 201 required to reapply, enclosing a copy of the required application form.
 202 Such taxpayer may submit such application to the assessor by mail
 203 provided it is received by the assessor not later than March fifteenth in
 204 the assessment year with respect to which such tax relief is claimed.
 205 Not later than April first of such year the assessor shall notify, by
 206 certified mail, any such taxpayer for whom such application was not
 207 received by said March fifteenth concerning application requirements
 208 and such taxpayer shall submit not later than May fifteenth such
 209 application personally or for reasonable cause, by a person acting in
 210 behalf of such taxpayer as approved by the assessor.

211 **(c)** On or before July first, annually, each municipality shall submit
 212 to the Secretary of the Office of Policy and Management a claim for the
 213 tax relief approved under section 12-170v, as amended by this act, and
 214 this section in relation to the assessment list of the October first
 215 immediately preceding. Any municipality which neglects to transmit
 216 to the secretary the claim as required by this subsection shall forfeit
 217 two hundred fifty dollars to the state unless such forfeiture qualifies
 218 for a waiver pursuant to subsection (d) of section 12-170v, as amended

219 by this act. Subject to procedures for review and approval of such data
 220 pursuant to section 12-120b, as amended by this act, the secretary shall,
 221 on or before December fifteenth next following, certify to the
 222 Comptroller the amount due each municipality as reimbursement for
 223 loss of property tax revenue related to the tax relief allowed under
 224 section 12-170v, as amended by this act, and this section. The
 225 Comptroller shall draw an order on the Treasurer on or before the fifth
 226 business day following December fifteenth and the Treasurer shall pay
 227 the amount due each municipality not later than the thirty-first day of
 228 December. Any claimant aggrieved by the results of the secretary's
 229 review shall have the rights of appeal as set forth in section 12-120b, as
 230 amended by this act. The amount of the reimbursement for loss of
 231 property tax revenue payable to each municipality in any year in
 232 accordance with this section shall be reduced proportionately in the
 233 event that the total reimbursement for loss of property tax revenue
 234 payable to municipalities in such year exceeds the amount
 235 appropriated for the purposes of this section with respect to such year.

236 (d) If the Secretary of the Office of Policy and Management makes
 237 any adjustments to the amount that the secretary has certified to the
 238 Comptroller as due to the municipality for loss of property tax revenue
 239 claimed under this section, the amount of such adjustment shall be
 240 reflected in the next payment that the Treasurer makes to such
 241 municipality pursuant to this section.

242 (e) Any municipality, upon approval of its legislative body, may
 243 provide property tax relief to persons who otherwise satisfy the
 244 eligibility requirements prescribed in subsection (a) of section 12-170v,
 245 as amended by this act, but who have income that exceeds the
 246 eligibility limits prescribed in said subsection (a). Any property tax
 247 relief provided by a municipality pursuant to this subsection shall not
 248 qualify for reimbursement from the state.

249 [(b)] (f) Any person knowingly making a false application for the
 250 purpose of claiming property tax relief under section 12-170v, as
 251 amended by this act, and this section shall be fined not more than five

252 hundred dollars. Any person who fails to disclose all matters relating
253 thereto or with intent to defraud makes a false statement shall refund
254 to the municipality all tax relief improperly taken.

255 [(c)] (g) Any municipality providing property tax relief under
256 section 12-170v, as amended by this act, and this section may establish
257 a lien on such property in the amount of the total tax relief granted,
258 plus interest applicable to the total of unpaid taxes represented by such
259 tax relief, at a rate to be determined by such municipality. Any such
260 lien shall have a priority in the settlement of such person's estate.

261 [(d)] (h) Any such property tax relief granted to any such resident in
262 accordance with the provisions of section 12-170v, as amended by this
263 act, and this section shall not disqualify such resident with respect to
264 any benefits for which such resident shall be eligible under the
265 provisions of sections 12-129b to 12-129d, inclusive, 12-129n of the 2008
266 supplement to the general statutes and 12-170aa and any such
267 property tax relief provided under this section shall be in addition to
268 any such benefits for which such resident shall be eligible under
269 sections 12-129b to 12-129d, inclusive, 12-129n of the 2008 supplement
270 to the general statutes and 12-170aa.

271 Sec. 3. Subsection (a) of section 12-120b of the general statutes is
272 repealed and the following is substituted in lieu thereof (*Effective*
273 *October 1, 2008, and applicable to assessment years commencing on or after*
274 *October 1, 2008*):

275 (a) As used in this section:

276 (1) "Claimant" means a person, company, limited liability company,
277 firm, association, corporation or other business entity having received
278 approval for financial assistance from a town's assessor or a municipal
279 official;

280 (2) "Financial assistance" means a property tax exemption, property
281 tax credit or rental rebate for which the state of Connecticut provides
282 direct or indirect reimbursement; and

283 (3) "Program" means (A) property tax exemptions under section 12-81g
 284 or subdivision (55), (59), (60), (70), (72) or (74) of section 12-81, (B) tax
 285 relief pursuant to section 12-129d, 12-170v, as amended by this act, or
 286 12-170aa, and (C) rebates under section 12-170d.

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|---|---|------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2008, and applicable to assessment years commencing on or after October 1, 2008</i> | 12-170v |
| Sec. 2 | <i>October 1, 2008, and applicable to assessment years commencing on or after October 1, 2008</i> | 12-170w |
| Sec. 3 | <i>October 1, 2008, and applicable to assessment years commencing on or after October 1, 2008</i> | 12-120b(a) |

AGE

Joint Favorable C/R

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